

otie per cent, or even less and did not rise materially, in spite of the disasters of the army, until the great demand for foreign exchange in paying the war indemnity. The premium then rose as high as two and a half per cent., representing apparently one of the few cases where the price of gold has risen as the result of a special demand without affecting the prices of commodities or the credit of the paper circulation. The necessity of a large circulating medium led to a further extension of the limit of issue on December 29, 1871, to 2,800,000,000 francs, and the great loan of three milliards was the occasion for another extension, July 15, 1872, to 3,200,000,000 francs. The law of December 29, 1871, authorized the issue of notes for five francs and ten francs. The limit of circulation was not again raised until after the resumption of specie payments. Resumption was set by the law of August 3, 1875, for the time when the debt of the government to the bank should be reduced to 300,000,000 francs. This condition was formally complied with by a payment to the bank of 10,000,000 francs on December 31, 1877, fo^u^ the bank had already been paying five-franc pieces in silver since November 7, 1873, anc^ twenty-franc gold pieces since November, 1874.¹ The Bank of France was saved from complete destruction during the reign of the Commune in Paris, in the spring of 1871, by appeasing with small sums the appetites of the hungry Communist leaders. The latter first drew out in instalments the sum of 9,401,819 francs, which was on deposit to the credit of the City of Paris, and when this was exhausted demanded several millions more. The bank yielded grudgingly under the compulsion of force and with the approval of the Ministry of Finance at Versailles. The Communists, after the capture of one of the gates of Paris by the regular army on Hay 22d, set fire to the Tuileries and sent one of their officers to the bank to demand the immediate payment of 700,000 francs for the wages of the National Guard. The Marquis de Ploeuc, the Assistant Governor, temporized as far as possible by advancing 200,000 francs

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